



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

May 18, 2005

Michael L. Retzer, Treasurer
Republican National Committee
310 First Street SE
Washington, DC 20003

Response Due Date:
June 17, 2005

Identification Number: C00003418

Reference: Amended 30 Day Post-General Report (10/14/04-11/22/04), received
5/2/05

Dear Mr. Retzer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule A of your report discloses an aggregate year-to-date total(s) for receipts on Lines 12 and 15 which appears to be incorrect. Please amend your report to provide the correct aggregate year-to-date total(s).

-Please provide a Schedule B to support the entry reported on Line 26 of the Detailed Summary Page. All loans repaid by your committee must be itemized on Schedule B regardless of the amount. 2 U.S.C. §434(b)(6)(B)(ii)

-Schedule A supporting Line 15 of your report discloses \$3,661.76 from the "COBRASERV NATIONAL SERVICE CTR" and "THE PLAZA HOTEL" for offsets to operating expenditures; however, your report(s) does not appear to disclose a disbursement(s) to this entity. Please provide clarifying information regarding this activity and amend your report(s) if necessary.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule B of your report to clarify the following description(s): "LABOR COST," "LABOR

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COSTS," "PRODUCTION COST," "PRODUCTION COST, LABOR," "PRODUCTION COSTS," "PRODUCTION SERVICES," "VOTER REGISTRATION COSTS" and "PER DIEMS" for the disbursement to Anchor Bank. For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Schedule B supporting Line 22 of your report discloses transfers to "2004 Joint State Victory Committee" which appears to be a joint fundraising committee. For further guidance on the question of joint fundraising, please refer to 11 CFR §102.17. If your committee is involved in joint fundraising with "2004 Joint State Victory Committee" you should amend your Statement of Organization to reflect this joint fundraising relationship on Line 6.

-Schedule B supporting Line 23 of your report discloses a void of a contribution made to Porter for Congress. Further, it appears this contribution was previously reported on your 2004 Amended 12 Day Pre-General Report, received 4/29/05. However, it appears you have already disclosed a void of this contribution on your 2004 Amended 12 Day Pre-General Report, received 4/29/05. If an additional contribution was given to this committee, please amend the appropriate report(s) and disclose the original date of the contribution on Schedule B supporting Line 23 of the Detailed Summary Page. Please provide further clarification regarding this activity.

-The loan schedule (Schedule C) should disclose the following information: the name and mailing address of the person making or receiving the loan, original amount, cumulative payment, outstanding balance, date incurred, date due, and interest rate for all loans that your committee has received. Please amend Schedule C by providing the date due and clarifying the interest rate. 11 CFR §§104.3(d) and 104.11(a)

-The supporting schedule for loans and lines of credit from lending institutions (Schedule C-1) must include the name and address of the lender, amount, interest rate, date incurred, date due, the treasurer's signature, and the signature of an authorized representative of the lending institution, along with a copy of the loan agreement. In addition, it may be necessary to provide information regarding restructured loans, draws on lines of credit, secondary sources of repayment, traditional collateral, future receipts as collateral and other means of obtaining loans according to your activity. Please amend your electronic Schedule C-1 and any other affected schedules to provide the date due and interest rate. 11 CFR §§100.82 and 100.142

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-The independent expenditure schedule (Schedule E) should disclose the following information: the name and mailing address of the payee, the purpose of the expenditure, the date of payment, the amount of payment, the name and office sought, state and district (if applicable) of the federal candidate, the calendar year-to-date, per election, for office sought total, the election designation, an indication of whether the candidate was supported or opposed and the signature of the treasurer. Please amend Schedule E by providing the election designation and calendar year-to-date, per election, for office sought total. 11 CFR §104.3(b)(3)(vii)

-Your committee filed 24 hour notices informing the Commission of independent expenditures made in support or opposition of federal candidates with "ARENA COMMUNICATIONS" and "CROSSROADS MEDIA, LLC" as the payee(s). However, the amounts and dates of public dissemination disclosed on these notices do not appear to correlate with the entries on Schedule E, supporting Line 24 for the reporting period. If your committee has filed 24 hour notices supporting independent expenditures not reflected on your reports, you must file Schedule E during the appropriate reporting period to disclose these payments. Please amend your report to clarify this discrepancy and provide further information concerning these notices.

-Schedule E, supporting Line 24 of your report, discloses several independent expenditures supporting "BUSH-CHENEY '04 INC" and opposing "KERRY-EDWARDS 2004 INC" which appear to have been distributed or publicly disseminated after the general election date. Please be advised that if the communication is aired in one reporting period and the payment is made in a later reporting period, the independent expenditure should be reported as a memo entry on Schedule E when the communication is publicly disseminated and on a Schedule D if it is a reportable debt under 11 CFR 104.11. When the payment for the independent expenditure is made, the report should show a payment on Schedule E and the same payment on Schedule D, if applicable.

Please amend your report to provide further clarifying information regarding the independent expenditures disclosed after the general election dates.

-Schedule E discloses independent expenditures on behalf of a federal candidate(s). Schedule F of this report discloses coordinated expenditures on behalf of the same candidate(s). Under 2 U.S.C. §431(17), an "independent expenditure" is defined as:

... an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate; and that is not made in concert or cooperation with or at the request or suggestion of such candidate, the candidate's authorized committee, or their agents, or a political party committee or its agents.

Further, 11 CFR §109.21 outlines the factors which define a coordinated communication. Please verify that the independent expenditures made by your Committee in support of "BUSH-CHENEY '04 INC" meet the definition of and were properly categorized as independent expenditures. If necessary, amend your reports to disclose the aforementioned transactions as in-kind contributions (Schedule B supporting Line 23 of the Detailed Summary Page) or coordinated expenditures (Schedule F supporting Line 25 of the Detailed Summary Page).

If the reclassification of these expenditures as in-kind contributions results in excessive contributions, the Commission recommends that you notify the candidate(s) and request a refund of the amount in excess of \$5,000 per election. If the reclassification of these expenditures as coordinated expenditures results in your committee exceeding the limitations under 2

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U.S.C. §441a(d), the Commission recommends that you notify the candidate(s) and request a refund of the amount in excess of the 2004 expenditure limitation.

Please inform the Commission of any corrective action immediately in writing and provide a photocopy of your refund request(s) sent to the candidate(s). In addition, any refunds should be disclosed on Schedule A supporting Line 16 of your next report.

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1141.

Sincerely,



Kristine Adams

Campaign Finance Analyst

Reports Analysis Division

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REPUBLICAN NATIONAL COMMITTEE

Page 6

Late 24 Hour Notices:

Name of Payee	Date	Amount	Purpose	Candidate
CROSSROADS MEDIA, LLC	10/20/04	\$1,500,000.00	MEDIA COST	KERRY-EDWARDS 2004 INC
CROSSROADS MEDIA, LLC	10/21/04	\$350,000.00	MEDIA COST	KERRY-EDWARDS 2004 INC

Missing 24 Hour Notices:

Name of Payee	Date	Amount	Purpose	Candidate
ARENA COMMUNICATIONS	10/15/04	\$2,497,674.08	MAILING COSTS	BUSH-CHENEY '04 INC
DIRT ROAD PRODUCTIONS	10/15/04	\$65,690.14	MEDIA COST	KERRY-EDWARDS 2004 INC
THE ANDERSON GROUP	10/21/04	\$12,000.00	POLITICAL CONSULTING	BUSH-CHENEY '04 INC
THE ANDERSON GROUP	10/21/04	\$12,000.00	POLITICAL CONSULTING	BUSH-CHENEY '04 INC
ARENA COMMUNICATIONS	10/21/04	\$847,350.90	POSTAGE	BUSH-CHENEY '04 INC
ARENA COMMUNICATIONS	10/21/04	\$536,936.84	POSTAGE	BUSH-CHENEY '04 INC
CROSSROADS MEDIA, LLC	10/21/2004	\$90,667.57	MEDIA COST	KERRY-EDWARDS 2004 INC
DIRT ROAD PRODUCTIONS	10/25/2004	\$57,265.90	MEDIA COST	KERRY-EDWARDS 2004 INC
DIRT ROAD PRODUCTIONS	10/25/2004	\$2,788.50	MEDIA COST	KERRY-EDWARDS 2004 INC
DIRT ROAD PRODUCTIONS	10/25/2004	\$9,520.50	MEDIA COST	KERRY-EDWARDS 2004 INC
CROSSROADS MEDIA, LLC	10/27/2004	\$250,000.00	MEDIA COST	KERRY-EDWARDS 2004 INC
CROSSROADS MEDIA, LLC	10/27/2004	\$1,000,000.00	MEDIA COST	KERRY-EDWARDS 2004 INC
DIRT ROAD PRODUCTIONS	10/28/2004	\$1,575.00	MEDIA COST	KERRY-EDWARDS 2004 INC
DIRT ROAD PRODUCTIONS	10/28/2004	\$1,078.00	PRODUCTION COSTS	KERRY-EDWARDS 2004 INC
CROSSROADS MEDIA, LLC	10/29/2004	\$400,000.00	MEDIA COST	KERRY-EDWARDS 2004 INC
CROSSROADS MEDIA, LLC	10/29/2004	\$175,000.00	MEDIA COST	KERRY-EDWARDS 2004 INC

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REPUBLICAN NATIONAL COMMITTEE

Page 7

24 Hour Notices Filed Not Matching Schedule E:

Name of Payee	Date Filed	Amount	Purpose	Candidate
CROSSROADS MEDIA	10/20/2004	\$5,000,000.00	MEDIA	KERRY, JOHN
ARENA COMMUNICATIONS	10/21/2004	\$2,515,885.40	MAIL	BUSH, GEORGE W.
ARENA COMMUNICATIONS	10/22/2004	\$575,473.62	MAIL	BUSH, GEORGE W.
ARENA COMMUNICATIONS	10/23/2004	\$904,890.19	MAIL	BUSH, GEORGE W.
CROSSROADS MEDIA	11/01/2004	\$300,000.00	MEDIA	KERRY, JOHN

Independent Expenditures Made After General Election:

Name of Payee	Date	Amount	Purpose	Candidate
DIRT ROAD PRODUCTIONS	11/8/04	\$8,332.50	MEDIA COST	KERRY-EDWARDS 2004 INC
THE ANDERSON GROUP	11/12/04	\$50,000.00	POLITICAL SERVICES	BUSH-CHENEY '04 INC
THE ANDERSON GROUP	11/12/04	\$6,000.00	POLITICAL SERVICES	BUSH-CHENEY '04 INC
THE ANDERSON GROUP	11/12/04	\$41,000.00	POLITICAL SERVICES	BUSH-CHENEY '04 INC

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